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**UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA**

IN RE STEC, INC. SECURITIES
 LITIGATION

Case No.: 09-CV-1304-JVS (MLGx)

**LEAD PLAINTIFF MOVANTS
 ARMAN RASHTCHI AND KEITH
 A. OVITT'S REPLY
 MEMORANDUM IN SUPPORT OF
 THEIR MOTION FOR
 APPOINTMENT AS LEAD
 PLAINTIFFS**

Judge: Hon. James V. Selna
 Date: February 8, 2010
 Time: 1:30 p.m.
 Courtroom: 10C

Arman Rashtchi (“Mr. Rashtchi”) and Keith A. Ovitt (“Mr. Ovitt”) respectfully submit this reply memorandum in further support of their motions for appointment as Lead Plaintiffs in the above-captioned actions, and for approval of their selection of Lead Counsel for the Class. Messrs. Rashtchi and Ovitt collectively suffered approximately \$3.6 million in losses on their investment in STEC securities and, as a result, have by far the largest financial interest in this litigation.¹ Accordingly, Messrs. Ovitt and Rashcthi should be appointed as Co-Lead Plaintiffs under the Private Securities Litigation Reform Act of 1995 (“PLSRA”), 15 U.S.C. § 77z-1(a)(3) and 15 U.S.C. § 78u-4(a)(3)(B), as amended.

None of the eight other movants who initially filed motions to be appointed Lead Plaintiff have articulated any opposition to the joint appointment of Mr. Rashcthi and Mr. Ovitt as Lead Plaintiffs, or to the appointment of their selected law firms, Bernstein Litowitz Berger & Grossmann LLP (“Bernstein Litowitz”) and Kahn Swick & Foti, LLC (“KSF”), as Co-Lead Counsel for the Class. Indeed, of those eight movants or movant groups, seven have now either withdrawn or otherwise conceded that they lack a greater financial interest than either Mr. Ovitt or Mr. Rashtchi.²

The only remaining movant – the Firefighters’ Pension System of the City of Kansas City, Missouri, Trust – filed no response to the motions of Mr. Ovitt or Mr. Rachtchi on the January 19 response deadline. As a result, Messrs. Rashtchi’s and

¹ Individually, Messrs. Rashtchi and Ovitt each have losses larger than any of the other eight competing movants. As detailed in their respective initial motions for appointment as Lead Plaintiff, Mr. Rashtchi’s losses are approximately \$1,914,484.32 and Mr. Ovitt’s losses are approximately \$1,678,173.11.

² Specifically: the Hester Family, Mr. Jonathan Fischer, the State of Nebraska, and the Port Authority of Allegheny County Retirement and Disability Allowance Plan for Employees Represented by Local 85 of the Amalgamated Transit Union and the New Orleans Employees’ Retirement System have conceded that they do not claim the largest financial interest in the litigation, and are not the presumptive lead plaintiff, *see* Dkts. 42, 43, 49, 55. The Building Trades United Pension Trust Fund and the Electrical Workers Pension Fund, Local 103 I.B.E.W. (the “Pension Fund Group”), Mr. Keith Johnson, and the STEC Inc. Investor Group have withdrawn their motions, *see* Dkts. 45, 47, 53.

Ovitt's request to be appointed Lead Plaintiffs is effectively unopposed.³ Because the losses suffered individually by Messrs. Rashtchi and Ovitt are so much larger than those of the other movants, and because both Mr. Ovitt and Mr. Rashtchi satisfy the adequacy and typicality requirements of Rule 23 of the Federal Rules of Civil Procedure, any such opposition would be moot.

Therefore, for the foregoing reasons and for the reasons set forth in their prior submissions (*see* Dkt. Nos. 18-21, 24, 50-51), Mr. Rashtchi and Mr. Ovitt respectfully request that this Court: (1) appoint Mr. Rashtchi and Mr. Ovitt to serve as Co-Lead Plaintiffs in this action; (2) approve Mr. Rashtchi's and Mr. Ovitt's selection of Co-Lead Counsel for the Class; and (3) grant such other and further relief as the Court may deem just and proper.

DATED: January 25, 2010

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³ One movant, the State of Nebraska, while conceding that it does not have the largest financial interest in this litigation, states in passing that Mr. Rashtchi may be subject to "unique defenses" and/or "conflicting interests," but fails utterly to substantiate these accusations with proof. *See* Dkt. No 49, p. 1; *see also* 15 U.S.C. § 78u-4(a)(3)(B)(iii)(II) (presumption that movant with largest loss should be appointed lead plaintiff "may be rebutted only upon proof"). Indeed, the State of Nebraska itself acknowledges that "proof positive would be required" to challenge Mr. Rashtchi's appointment as Lead Plaintiff, and admits that it has no such proof. *See* Dkt. No 49, p. 1. For that reason, the commentary by the State of Nebraska does not merit consideration.

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing document was filed through the ECF system and will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF), and paper copies will be sent to those indicated as non-registered participants on January 25, 2010.

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